

Munich, 2 July 2021

MEAG finances construction of reserve capacity for the Italian electricity grid

MEAG successfully underwrote a bond financing to fund the construction and operation of a portfolio with eight gas-fired peaker energy plants (total capacity of 490MW) located across Italy, owned by the project company Metaenergiaproduzione. MEAG acted as the sole structuring and debt financing party and subscribed a fixed rate bond with several Munich Re Group entities as well as a third-party co-investor and institutional investors via the MEAG Infrastructure Debt Fund I.

Once constructed, this project will provide stand-by generation capacity to guarantee the security of power supply. For this service, this project receives fixed capacity payments from Italy's transmission grid operator Terna for a period of 15 years.

This stand-by generation capacity is going to play a crucial role in the electricity market in Italy, where the increasing share of renewable energy capacity is introducing volatility in the power supply. On these grounds, this project is designed to only operate in times of peak-demand and low-supply in order to ensure the stability and balance of the Italian electricity system – it is therefore considered an enabler of the further build-out of renewable energy generation capacity in Italy.

Holger Kerzel, Member of the Management Board, MEAG: “ With the expansion of renewable energies, a high level of security in the energy supply is becoming more and more of a challenge and requires flexible solutions for the reliable provision of energy. MEAG is happy to support the further expansion of renewable energies under the precondition of security of supply. “

This project is sponsored by IKAV, an international asset management group headquartered in Germany and with local offices in Luxembourg, Italy, Spain, Portugal, UK, USA and France and by Rome-based Metaenergia, who will retain a minority position.

MEAG is the asset manager of Munich Re and ERGO. With offices in Europe, Asia and North America it also offers its extensive know-how to institutional investors and private clients from outside Munich Re Group. MEAG currently manages assets to the value of around EUR 328 billion, EUR 65 billion of which for institutional investors and private clients.

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